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PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

QUESTIONS RELATING TO INFORMATION

Establishment of seven United Nations interim offices

Revised estimates under section 31, Public information

Report of the Secretary-General

Introduction

1. As was indicated to the General Assembly in the report on the subject last year (A/C.5/47/58), the Secretary-General decided to establish seven United Nations interim offices in Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Ukraine and Uzbekistan. These offices have been established and are making a valuable contribution to the Organization's activities with and for these Member States. It is the Secretary-General's intention to report to the General Assembly at its forty-eighth session on the experience gained in the establishment and functioning of these offices and any related proposals arising therefrom.

2. In the meantime, the Secretary-General is renewing herewith his request to the General Assembly for the minimum necessary funding for this important initiative. The present report is submitted in response to the Assembly's request, in paragraph 2 of part XVIII of its resolution 47/219:

> "to re-submit a complete report on the establishment and operation of the seven United Nations interim offices, including staffing, project implementation and an integrated budget with full sources of financing, at its resumed forty-seventh session, in accordance with the relevant resolutions and decisions of the competent United Nations bodies regarding operational activities and public information activities and taking into account the views expressed by the Member States in the Fifth Committee on this issue during the General Assembly at its forty-seventh session."

3. In its resolution 1992/40 of 30 July 1992, entitled "Activities of the United Nations system in the Baltic States and the Commonwealth of Independent States", the Economic and Social Council reaffirmed the importance it attached to an integrated United Nations system approach to, and presence in, the region. It also invited the Secretary-General to report on ways of ensuring such an integrated approach and presence in the countries concerned and the steps already taken to do so.

4. In his report to the General Assembly on the comprehensive policy review of operational activities of the United Nations system, 1/ the Secretary-General indicated the importance that he and the organizations of the United Nations system attached to an integrated approach to, and presence in, the region, as reflected in the fact that this matter has been one of the principal items on the agenda of the Administrative Committee on Coordination (ACC) during 1992. At its first regular session for 1992, ACC had a comprehensive discussion of the implications for the United Nations system of the transition process in Eastern and Central Europe and in the countries of the Commonwealth of Independent States. The issues involved have also been considered by a number of other relevant inter-agency bodies, including the Consultative Committee on Substantive Questions - Operations and the Joint Consultative Group on Policies, as well as in bilateral consultations among the organizations concerned.

5. ACC concluded that the provision of assistance to the States in transition was a major challenge that would require collective action by the whole United Nations system. A number of basic principles were highlighted, including respect for the territorial integrity of those States, promotion of human rights and respect for minorities. An important focus of United Nations assistance would be the strengthening of democratic institutions and of market-economy structures. In the short term, the United Nations would also need to extend diplomatic assistance in settling conflicts, as well as to provide humanitarian assistance, including preventive protection aimed at pre-empting the displacement or facilitating the return of displaced people. At all levels, United Nations organizations and agencies should act in concert in order to avoid duplication of effort. They should work in close cooperation with the Governments of the countries concerned, the donor community and non-governmental organizations to establish a coherent framework of action. The importance of effective coordination was emphasized as was, in that context, the need to ensure a systematic flow of information, both inside and outside the system, in order to facilitate the best possible use of scarce resources.

6. Executive heads of the organizations of the system were conscious that the rapid transition process unfolding in Central and Eastern Europe and the Commonwealth of Independent States was without historical precedent, involving major transformations within every social, cultural, economic and political institution in a highly strategic area of the world. Hasty, prescriptive solutions could prove counter-productive. While caution was required, the need to pursue actions rapidly was generally emphasized. Executive heads considered that the system should stand ready, subject to the availability of appropriate funding, to put its experience to an increasing extent at the disposal of countries in transition in Central and Eastern Europe, the Commonwealth of Independent States and Asia.

7. The role of the United Nations system within the overall assistance efforts was a major focus of discussion in ACC. Among the major concerns expressed were the need to coordinate United Nations assistance with bilateral activities; the impact of the assistance being provided to the countries in transition on other United Nations system programmes; the needs of developing countries that had been receiving assistance from the former Soviet Union; and the importance of ensuring that a greater share of the resources available from bilateral sources for the countries concerned was channelled through the United Nations system. There was clear agreement on the principle that assistance extended to these countries should not affect global programmes or impair the capacity of the United Nations system to provide assistance to developing countries.

8. The position of the United Nations system at the Coordinating Conferences on Assistance to the Newly Independent States, held in Washington, on 24 and 25 January, at Lisbon on 23 and 24 May and at Tokyo on 29 and 30 October 1992, has been based on these considerations. The United Nations system was represented at the first conference by a unified delegation led by the then Director-General for Development and International Economic Cooperation. At the subsequent conferences the United Nations system again participated as an integrated team led by the Director-General of the World Health Organization (WHO). The preparation for and follow-up to these conferences have provided the framework for the development of a coordinated United Nations system response to the overall assistance effort.

9. While each newly independent State faces specific problems of transition, requiring assistance tailored to its special needs, the strength of the United Nations lies in its integrated approach, which addresses the political, socio-economic, environmental and humanitarian dimensions of a situation in a comprehensive way. Within the international framework of assistance for the newly independent States that is emerging, the United Nations is stressing the interrelationship between peace and security, democracy and human rights, while providing emergency and humanitarian assistance and helping to establish the conditions for long-term development. Joint inter-agency missions that have visited a number of the countries of the region to assess requirements for humanitarian assistance and longer-term development assistance have emphasized both the need to develop a well-coordinated system-wide programme and to avoid straining further the absorptive capacity of the countries concerned.

10. In addition to offering diverse, impartial and cost-effective technical assistance, the United Nations system can provide a framework in which interested multilateral and bilateral bodies can work together focusing on the needs of individual countries, while addressing regional and subregional concerns. It can also play a role as an impartial forum for dialogue between policy makers in the newly independent States and those in other regions on issues involved in the transition process. A number of options are currently being explored for enhancing this kind of integrated assistance, including the establishment of country consultative groups and round-table coordinating mechanisms.

11. At United Nations Headquarters, an Inter-agency Task Force on the Newly Independent States was established in early 1992. This inter-agency mechanism has acted as a clearing-house for the exchange of information on United Nations activities in the newly independent States and has organized the participation

of the United Nations system delegation in the Coordinating Conferences. A brochure entitled "the United Nations System's Action in International Assistance to the Newly Independent States", describing the relevant mandates and programme activities of the various parts of the system, was issued for the Lisbon meeting and substantially updated for the Tokyo conference. This brochure provides comprehensive information on the current involvement of the United Nations system in the newly independent States, particularly with respect to activities within the framework of the five working groups established by the Coordinating Conferences, namely, food, medicine, shelter, energy and technical assistance. It also describes the technical assistance and advisory capacities of the United Nations and its specialized agencies and related organizations which are of relevance to the process of transition in the newly independent States. The Task Force has also prepared a publication in English and Russian entitled "Modalities of accession to the United Nations specialized agencies" on the conditions of accession to and membership in various United Nations organizations. A newsletter on the newly independent States is published regularly to keep the organizations of the United Nations system, Governments, non-governmental organizations, and other interested constituencies abreast of developments relating to United Nations activities in the newly independent States.

12. In pursuance of the integrated approach, the Secretary-General, in March 1992, decided to establish integrated United Nations offices in Armenia, Azerbaijan, Belarus, Kazakhstan, Ukraine and Uzbekistan. He entrusted the responsibility for the establishment of these offices, which are initially to focus on development assistance and information support to these countries in transition, to the Department of Public Information and the United Nations Development Programme (UNDP).

13. During 1992, the Secretary-General also held consultations through the informal mechanism composed of the Bureau of the Committee on Information and the spokespersons of regional groups, the Group of 77 and China (as established in paragraph 1 (s) of General Assembly resolution 46/73 B of 11 December 1991), on the existing system of United Nations information centres as well as on his decision to establish integrated United Nations offices. In this connection, it is to be noted that the General Assembly in its resolution 47/73 B of 14 December 1992, paragraph 6 called upon the Secretary-General "to submit a detailed and comprehensive report on his plan of integrating United Nations information centres with other United Nations offices, while maintaining the functional autonomy of the United Nations information centres and emphasizing that they should be fully operational, as provided for in the relevant resolutions, to the Committee on Information at its fifteenth session for its consideration of the different options available in this regard".

14. During 1992, joint missions were conducted in Armenia, Azerbaijan, Belarus, Kazakhstan, Ukraine and Uzbekistan to assess requirements for a unified United Nations/UNDP presence, including a preliminary assessment of priority areas for development cooperation and public information needs, and to negotiate host country agreements. Such agreements were concluded and signed with all six countries. Subsequently, the Secretary-General decided to initiate action for the creation of a United Nations interim office in Georgia and concluded a host country agreement with that country. Since this interim office was established, it has also been able to provide valuable support to the Secretary-General's

efforts in response to requests he has received to help promote a peace process in Georgia. Through its decisions 92/29 and 92/43 of 26 May 1992, 2/ the Governing Council of UNDP approved an allocation of up to $3 million from within the approved 1992-1993 UNDP administrative budget for the financing of offices in countries of the region. In this connection, in its document DP/1993/5 of 18 January 1993, UNDP deals with the above interim offices as well as UNDP temporary offices in Estonia, Kyrgyzstan, Latvia, Lithuania, the Republic of Moldova, Tajikistan and Turkmenistan.

15. This joint effort should also be seen as potentially contributing to the implementation of General Assembly resolution 47/199 of 22 December 1992, in which the Assembly emphasized the importance it attached to a more effective and coherent coordinated approach by the United Nations system to the needs of recipient countries, particularly at the field level. In this context, it also took note of the report of the Secretary-General and requested the Secretary-General to improve the efficiency and effectiveness of the United Nations system at the field level, through a fully coordinated multidisciplinary approach to the needs of recipient countries.

A. Objectives and functions of the interim offices

16. United Nations interim offices in Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Ukraine and Uzbekistan are being jointly established to provide a unified United Nations presence and to facilitate a practical and effective dialogue between the United Nations and its programmes and the new Member States. This is in keeping with the efforts of the Secretary-General to rationalize the various activities of the Organization in the field, incorporating the integrated approach to human security envisaged in his report entitled "An Agenda for Peace" (A/47/277-S/24111). The initial arrangements are being designed in such a way as to facilitate any future specialized agency presence in the countries concerned. Major activities of the United Nations interim offices will include special projects to support their economic and social transition, strengthening of the role of national media and their infrastructure, liaison with local institutions, feedback from published material on issues of direct concern to the Organization and overall coverage of issues relevant to the United Nations and to the host country.

17. Public information activities of the United Nations interim offices are envisaged to include collaboration with national information media (newspapers, radio, television), government departments, non-governmental organizations, academic institutions, public libraries and other local bodies to create greater public awareness of the United Nations and for the wider dissemination of United Nations public information materials. The interim offices would also provide timely feedback to United Nations Headquarters of published and publicly available national media and official comments on issues of concern to the Secretary-General and to the United Nations.

18. The offices would serve the purpose of building the human and institutional capacity required for the management and early consolidation of the transition to democracy and to a market economy. Particular emphasis is placed on promoting human rights, supporting human development programmes and improving the quality of life in the region. The fundamental aim is to encourage

populations to become involved in the reform process, to permit them to assume their roles in an open society and to mitigate the hardship that accompanies the transition process. Programmes being developed and implemented through the interim offices are complementary to those of other donors and concentrate on priority areas where the United Nations organizations have a comparative advantage. These include national capacity-building and aid coordination; democratization and governance; and the social sector. A more detailed discussion of the activities of the programme undertaken by UNDP in the Baltic States and the Commonwealth of Independent States, covering United Nations interim offices as well as UNDP temporary offices, is contained in the report of the UNDP Administrator 4/ to the special session of the UNDP Governing Council held in New York from 16 to 19 February 1993.

19. The interim offices are also engaged in providing support for humanitarian emergency assistance activities, notably in Armenia, Azerbaijan and Georgia. On 8 December 1992, the United Nations launched the "Immediate Emergency Appeal for Armenia and Azerbaijan", covering emergency humanitarian needs in respect of food, health, transport, household items, shelter, water and sanitation. On 1 March 1993, the "United Nations Inter-agency Consolidated Appeal for Emergency Humanitarian Assistance" was issued in the light of the situation in Georgia. The appeal addresses needs regarding emergency food, logistics, health care, protection and transport. Donors have responded to these appeals, and the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and WHO are now implementing programmes in their respective areas. The humanitarian programmes are coordinated by the Department of Humanitarian Affairs.

B. Administrative and financial arrangements and budgetary requirements

1. Staffing

20. Each United Nations interim office will have one United Nations representative and one United Nations deputy representative to represent the United Nations and its programmes as a whole. There would thus be a total of 14 Professional and higher level and 42 local level field posts for the seven interim offices. Of this total, the United Nations would provide for seven Professional posts (three D-1, one P-5, three P-4) and seven local level field posts. UNDP is providing funding for 7 Professional positions (the level of which has yet to be determined) and 35 local level field positions.

2. Non-staff start-up and recurrent operating costs

21. For the biennium 1992-1993, the United Nations and UNDP have agreed in principle that the start-up and recurrent operating costs requirements for the seven United Nations interim offices would be shared, with the understanding that the United Nations share of such costs would not exceed an average of $85,000 per interim office ($45,000 in start-up costs and $40,000 for recurrent operating costs requirements for 12 months), except for extraordinary requirements for the establishment of the interim office in Armenia. As indicated in paragraph 29 below, for seven interim offices, the total United

Nations share would be $595,000 ($315,000 in start-up costs and $280,000 for recurrent operating costs for 12 months), plus $274,200 for extraordinary requirements for the office in Armenia. The recurrent costs and the distribution thereof would be reviewed from time to time. Major deviations from the standard office profile and associated costs described above would be subject to mutual agreement.

3. Administrative and financial arrangements

22. UNDP would provide day-to-day administrative and financial support to the interim offices on behalf of the United Nations. Details of such arrangements are in the process of being finalized.

4. Overall cost estimates

23. The summary table contained in the annex to the present report provides information which indicates the project cost estimates and sources of funding during 1992-1993 at a total of $4,149,100 on a gross basis, for the establishment of the seven United Nations interim offices.

24. Of this total, $2,008,400 would be financed by UNDP, $1,400,900 from the UNDP Governing Council allocation, $450,000 from the application of indicative planning figure (IPF) resources and $157,500 from other sources of funding; $1,822,900 on a full-cost basis ($1,244,400 on a net basis - see para. 30 below) from the United Nations regular budget and $317,800 from payments by the host Governments for government local office costs (GLOC). 5/

25. The United Nations/UNDP operating cost estimates for the seven United Nations interim offices take full account of the agreement by the respective host Governments concerned to provide, at a minimum, suitable rent-free premises for the interim offices. Moreover, as indicated in paragraph 24 above, the operating cost estimates assume payment by the host Governments for government local office costs (GLOC).

26. The United Nations/UNDP operating cost estimates for the seven United Nations interim offices are also predicated upon the establishment of a wide area network (WAN) as well as a computer-driven satellite-based communications system. A major portion of the equipment for this system and its installation is being provided by a group of European satellite communications firms of the Netherlands and Sweden, as a contribution in kind to UNDP. The system has an operating cost that is much lower than any other available commercial rate. The system is expected to be operational at a number of the office locations by mid-1993. 6/

5. Extraordinary requirements related to the establishment of the interim office in Armenia

27. As a result of the serious political situation in the region, working and living conditions in Armenia are extremely difficult, in view of serious shortages or unavailability of heating, hot water and a dependable electricity

supply. Furthermore, there is a severe shortage of food, fuel and essential goods and services. It is very clear that the existing local conditions and infrastructure in Armenia demand special attention. For the United Nations presence in Armenia to continue effectively, the United Nations interim office would require that the necessary logistical and operational capacity be independent of the local infrastructure, which is clearly inadequate. Based on a technical survey mission by the Field Operations Division, it has been determined that provision should be made in 1993 for the airlift of urgently needed equipment and supplies and for one further re-supply flight during 1993 carrying communications equipment, generators, heating equipment, fuel and other supplies and equipment. It may be noted that the cost of air supply shipments should be minimized by the use of aircraft chartered for the United Nations Protection Force (UNPROFOR). Operation of the equipment would also require provision for a Field Service Officer and two locally recruited maintenance personnel, together with related travel and subsistence costs. The total estimated non-recurrent requirement for 1993 is estimated at $274,200. This figure is included in the United Nations gross estimate of resources requirements for 1992-1993 described in paragraph 24 above. Further details are outlined below.

28. UNDP is not in a position to contribute to these additional requirements beyond what has already been allocated, due to the stringent budgetary ceiling placed on the UNDP presence in the region by the Governing Council. In view of the extraordinary nature of these costs, it is proposed that provision should be made under the regular budget of the United Nations.

C. Additional requirements under section 31, Public information, of the regular budget

29. The United Nations regular budget staff requirements in 1992-1993 for the seven interim offices are seven posts: three D-1, one P-5, three P-4. Four posts (one D-1 and three P-4) are currently available for temporary redeployment to these offices. The other Professional staffing requirements in 1993 (two D-1 and one P-5) will also be met through temporary redeployments. To cover related requirements until such posts are identified, a provision of $200,200 will be needed for up to six work-months of general temporary assistance. Should there be difficulties in identifying posts for temporary redeployment, a report would be submitted to the Advisory Committee on Administrative and Budgetary Questions (ACABQ). Requirements for 1994 and beyond will be considered in the context of the proposed programme budget for the biennium 1994-1995.

30. On the basis of the above-mentioned assumptions and those contained in paragraphs 20 to 27 above, additional requirements under section 31, Public information, totalling $1,244,400 would be required in connection with the United Nations share of the cost of the establishment of seven United Nations interim offices during the current biennium 1992-1993, as follows:

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Established posts	
(a) General temporary assistance relating to the 7 local level field posts for a period of 12 work-months each	175 000
(b) General temporary assistance relating to 3 Professional posts (2 D-1 and 1 P-5) for a period of up to 6 work-months each	200 200
Subtotal staff costs	375 200
Operating costs	
(a) United Nations share of non-recurrent start-up costs comprising motor vehicle; telecommunications equipment and computers; office furniture, equipment and supplies (using UNDP/IAPSO "Office start-up package" to derive maximum benefits of economies of scale through a unified approach)	315 000
(b) United Nations share of recurrent operating costs for 12 months (communications, maintenance of premises and equipment, miscellaneous supplies and services, travel, etc.)	280 000
Subtotal operating costs	595 000
Total	970 200

Extraordinary costs related to the establishment of the interim office in Armenia

		$
(a)	General temporary assistance relating to one FSO and two local level maintenance staff	94 900
(b)	Travel and subsistence of staff	45 300
(c)	Rental of aircraft	20 000
(d)	Local transportation	9 000
(e)	Miscellaneous services	5 000
(f)	Miscellaneous supplies (including petrol, oil and lubricants, fluorescent lanterns, flashlights and sleeping bags)	20 900
(g)	Communications equipment and supplies (including Crypto fax machine VHF base station and portable VHF radios)	21 000
(h)	Acquisition of equipment (including 1 4x4 vehicle, 3 generators and heaters)	58 100
	Subtotal	274 200
	GRAND TOTAL	1 244 400

D. Contingency fund

31. It will be recalled that, under the procedure established by the General Assembly in its resolution 41/213 of 19 December 1986, a contingency fund is established for each biennium to accommodate additional expenditures derived from legislative mandates not provided for in the programme budget. No activities are proposed for termination, deferral, curtailment or modification in the programme budget for the biennium 1992-1993, in order to finance the net United Nations share of the cost of the establishment of United Nations interim offices proposed under section 31, Public information. It is the intention of the Secretary-General, however, to re-examine the current allocation of resources for public information in the context of the preparation of the proposed programme budget for the biennium 1994-1995.

E. Summary

32. An additional appropriation of $1,244,400 would be required under section 31, Public information, of the programme budget for the biennium 1992-1993, in connection with the establishment of seven United Nations interim offices in Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Ukraine and Uzbekistan.

Notes

1/ A/47/419/Add.3.

2/ See Official Records of the Economic and Social Council, 1992, Supplement No. 8 (E/1992/28), annex I.

3/ A/47/419/Add.3.

4/ DP/1993/5.

5/ Government local office costs (GLOC) payments are determined and negotiated in accordance with UNDP established policies and procedures in line with the relevant provisions of the UNDP Standard Basic Agreements (SBAA) and relevant decisions of the UNDP Governing Council.

6/ DP/1993/5, para. 19.

ANNEX

UN/UNDP PRESENCE IN THE BALTIC STATES AND THE COMMONWEALTH OF INDEPENDENT STATES
COST ESTIMATES AND SOURCES OF FUNDING (1992-1993)

COUNTRY	TOTAL COSTS (GROSS) in US$'000				SOURCES OF FINANCING in US$'000					
	Recurrent costs (92/93)		Non-Recurrent costs			UNDP				
	International staff costs	Local operating costs (b)	Start-up costs	Total	United Nations Regular Budget (c)	IPF (f)	Others	Governing Council Allocation (GC decision 92/93)	Gov't (e)	Total
United Nations Interim Offices										
ARMENIA	271.9	124.0	147.6	543.5	241.9 (d)	150.0	-	93.3	59.3	544.5
AZERBAIJAN	271.9	124.0	147.6	543.5	241.9	-	-	256.1	39.5	537.5
BELARUS	291.8	124.0	147.6	563.4	226.6	150.0	-	128.3	59.3	564.2
GEORGIA	221.9	82.8	147.6	452.3	241.9	-	-	183.4	34.6	459.9
KAZAKHSTAN	238.8	107.5	147.6	493.9	198.8	-	-	260.0	32.9	491.7
UKRAINE	263.8	124.0	147.6	535.4	198.8	150.0	-	128.3	59.3	536.4
UZBEKISTAN	238.8	107.5	147.6	493.9	198.8	-	-	260.0	32.9	491.7
Subtotal UNIOs	1,798.9	793.8	1,033.2	3,625.9	1,548.7	450.0	-	1,309.4	317.8	3,625.9
Extraordinary cost for Armenia Office			274.2	274.2	274.2	-	-	-	-	274.2
CENTRAL SUPPORT AND VSAT COMMUNICATIONS NETWORK (a)			249.0	249.0		-	157.5	91.5	-	249.0
GRAND TOTAL	1,798.9	793.8	1,556.4	4,149.1	1,822.9 (c)	450.0	157.5	1,400.9	317.8	4,149.1

(a) Contribution equivalent to $157,500 from a Swedish/Netherlands joint venture company representing lease changes for three years pertaining to initial hardware.

(b) Includes cost of engaging local level field staff.

(c) Gross indicative estimate of UN cost for 12 months. Net resource request to General Assembly is $1,244,400.

(d) Figure does not include extraordinary costs of $274,200 for establishment for the interim office in Armenia (paragraphs 27-28)

(e) Payments by recipient governments for governments local office costs (GLOC).

(f) Indicative planing figure resources on a temporary and reimburseable basis from those countries with higher gross national products.